

**PLACER COUNTY FAIRGROUNDS PROPERTY
MANAGEMENT AGREEMENT**

By and Between

**COUNTY OF PLACER, a political
Subdivision of the State of California**

-and-

**PLACER VALLEY SPORTS COMPLEX, INC., a
California non-profit public benefit corporation**

Effective as of: June 30, 2020

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PLACER COUNTY FAIRGROUNDS PROPERTY MANAGEMENT AGREEMENT

This Management Agreement ("**Agreement**") is entered into as of June 30, 2020, by and between the County of Placer, a political subdivision of the State of California (hereinafter "**County**") and Placer Valley Sports Complex, Inc., a California non-profit public benefit corporation (hereinafter "**PVSC**"). County and PVSC are sometimes hereinafter each singularly referred to as a "Party" and collectively referred to as the "Parties."

RECITALS

WHEREAS, County owns real property consisting of approximately 61 acres commonly known as the Placer County Fairgrounds ("**Fairground Property**"). The Fairground Property is located near the intersection of Los Vegas and Lawton Avenues in Roseville, California and described on **Exhibit A-1**, attached hereto; and

WHEREAS, the activities that have historically taken place at or upon the Fairground Property include those identified by the Placer County Fairgrounds Revitalization Committee, as set forth in its Recommendations and Summary, a copy of which is attached hereto as **Exhibit B**, including senior, adult and youth education, local and regional amateur sports and athletics, senior, adult and youth service activities, charitable fundraising, public assimilation and gatherings, livestock events, animal husbandry, and the Placer County Fair, among others ("**Intended Uses**"); and

WHEREAS, County desires to continue use of the Fairground Property for its Intended Uses; and

WHEREAS, PVSC is a non-profit public benefit corporation that was created and exists for the specific purpose of managing the Fairground Property on behalf of County for public uses consistent with the purposes sought to be achieved by County, including the Intended Uses; and

WHEREAS, PVSC is qualified as a charitable organization by the Internal Revenue Service under Section 501(c)(3) of the Internal Revenue Code and by the California Franchise Tax Board under Section 23701d of the California Revenue and Tax Code; and

WHEREAS, on March 21, 2017, the County and South Placer County Tourism Corporation, dba Placer Valley Tourism ("**PVT**"), entered into an Assignment Assumption and Operating Agreement for PVT or its assignee to manage activities taking place at the Fairground Property ("**AAO**"); and,

WHEREAS, with the consent of County, PVT assigned all of its rights, duties and obligations under the AAO to PVSC; and

WHEREAS, on December 18, 2018, County and PVSC entered into an agreement titled Placer County Event Center Ground Lease and Agreement (“**Ground Lease**”) pursuant to which PVSC leased that portion of the Fairground Property described therein on stated terms and conditions; and

WHEREAS, the County certified an Environmental Impact Report for the Placer County Sports and Event Complex Project (State Clearinghouse No. 2017082026) (“**EIR**”) on December 18, 2018 to evaluate the Event Center Building and the Future Improvements; and

WHEREAS, pursuant to the Ground Lease and to foster and develop the Intended Uses, for the ownership and use by County, PVSC developed, constructed, and manages on the Fairground Property an approximately 150,000 square feet multiuse building (the “**Event Center Building**”); and

WHEREAS, to further foster and develop the Intended Uses, for the ownership and use by County, PVSC desires to potentially develop, construct, and manage on the Fairground Property additional improvements that may include an expansion to the Event Center Building (“**Event Center Addition**”) and an approximately 6,000 square foot culinary center (the “**Culinary Building**”) and other improvements including parking and access improvements to be used for the activities described herein (collectively “**Future Improvements**”); and

WHEREAS, on June 9, 2020, to facilitate the potential development and construction of the Event Center Addition and Culinary Building, PVSC and the County entered into an agreement titled “Termination of Ground Lease, Option And Personal Property Transfer Agreement” concurrently herewith (“**Termination Agreement**”). Among other matters, the Termination Agreement acknowledges the prior termination of the Ground Lease and transfer of ownership of the Event Center Building to County in accordance with the terms of the Ground Lease and grants to PVSC an option, exercisable in the future, to lease from County areas of the Fairground Property for purpose of construction of the Future Improvements; and

WHEREAS, on June 9, 2020 County and PVSC entered into the First Amendment to the AAO, to memorialize management protocols for the Event Center Building and potential future Event Center Addition and the Culinary Building, and to address other matters as stated therein; and

WHEREAS, to further memorialize management protocols for the Premises (as defined in Section 1.02), including the Event Center Building, County and PVSC desire to terminate the AAO, as amended, and enter into this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and promises herein, County and PVSC hereby enter into this Agreement on the following terms and conditions:

Article I. Special Covenants and Conditions

Section 1.01 Agreement To Manage and Effective Date

To benefit County in continuing to provide to the public the Intended Uses, County and PVSC hereby agree that, under the control of County as hereinafter set forth, PVSC will manage the Premises defined in Section 1.02 during the terms stated in Section 1.03. This Agreement is not intended to create an estate in land, possessory interest, or license, and shall not provide PVSC with an independent, durable or exclusive right to possession or use of the Premises. It is the intention of County and PVSC that PVSC shall manage the Premises on behalf of and as agent for County by scheduling, approving and coordinating the use of the Premises by others for the Intended Uses. PVSC's right and obligation to manage the Premises under this Agreement shall commence on June 30, 2020 (the "**Effective Date**").

Section 1.02 Premises

The Premises is comprised of a portion of the Fairground Property, together with the buildings and improvements thereon, as depicted in the attached Exhibit A-2. The Premises is divided into two areas subject to this Agreement, (i) the area west of the Grandstands (hereinafter "**Fairgrounds Area**"), and (ii) the remainder of the Premises (hereinafter "**Speedway Area**"), each as depicted on **Exhibit A-2**.

Section 1.03 Term

(a) The Term of this Agreement applicable to the Fairgrounds Area and the Speedway Area shall be as follows:

(i) Fairgrounds Area Term: The term of this Agreement for the Fairgrounds Area shall commence on the Effective Date and expire on December 31, 2052 (the "**Fairgrounds Term**").

(ii) Speedway Area Term: The term of this Agreement for the Speedway Area shall commence on the Effective Date and expire on December 31, 2032 ("**Speedway Term**").

Section 1.04 Rent

(a) As and for payment for use of the Premises ("**Use Payment**"), the Parties agree and acknowledge that PVSC has previously paid to County Two Dollars (\$2.00)

per full calendar year of the Fairgrounds Term defined by the AAO, in the sum of Seventy Dollars (\$70.00).

Section 1.05 Additional Fees Charges

(a) PVSC shall pay to County all additional fees and charges upon the occurrence of any of the following events:

(i) County has paid any sum or sums, or has incurred any obligation or expense, for which PVSC has agreed to pay or reimburse County, or for which PVSC is otherwise responsible. Such fees or charges will include but not necessarily be limited to utility hookup fees, utility meter installation cost, and emergency response charges incurred by PVSC or by PVSC's agents, contractors, employees, invitees or clients.

(ii) County is required or elects to pay any sum or sums, or incur any obligation or expense, because of the failure, neglect or refusal of PVSC to perform or fulfill any of the promises, terms, conditions or covenants required of it herein.

(iii) Pursuant to any separate agreement between the Parties not contained herein.

(iv) Pursuant to any ordinance, resolution or minute order of County applicable to the general public.

(b) PVSC's obligations pursuant to this Section 1.05 shall include all interest, cost, damages, and penalties in conjunction with such sums so paid or expenses so incurred by County, which may be added by County to any installment of fees, charges, and other payments payable herein. Each and every part of such payment by County shall be recoverable by County in the same manner and with like remedies as if it were expressly set forth herein.

(c) PVSC shall pay County pursuant to this Section 1.05 within thirty (30) days following demand therefore, or within the time specified by applicable ordinance, resolution, or minute order of County.

Section 1.06 Use of Premises

(a) Permitted and Excluded Uses. As agent of County, PVSC may use, license to others the use of, and manage the Premises, including adoption of access controls and entrance policies, for the purposes set forth in subdivision (b), excluding therefrom those stated in subdivision (c) of this Section 1.06.

(b) Permitted Use. PVSC shall manage the Premises to promote tourism within Placer County and provide rental space to the community, in a manner that promotes, facilitates and encourages the Intended Uses. In addition thereto, PVSC

shall make the Premises available for the Placer County Fair and emergency services uses (e.g. evacuation center), and shall broadly offer facilities to groups and individuals, at competitive pricing, to support community and private events including, without limitation, service organization fundraisers (e.g. crab feeds), private gatherings (e.g. family reunions) and livestock events (collectively hereinafter "**Community Support**").

(c) Prohibited Use. PVSC agrees not to knowingly permit use of the Premises or permit anything to be done in or about the Premises which will in any way conflict with any applicable law, statute, ordinance, or governmental rule or regulation or requirement of duly constituted public authorities now in force or which may hereafter be enacted or promulgated. This shall include all Hazardous Materials Laws as defined in Section 2.15 herein. PVSC agrees promptly to comply with all applicable laws, statutes, ordinances, and governmental rules, regulations, or requirements now in force or which may hereafter be in force, including those relating to payment of wages by PVSC and/or its agents or contractors, and with the requirements of any board of fire underwriters or other similar body now or hereafter constituted relating to or affecting the condition, use, or occupancy of the Premises. PVSC agrees that it will comply with any directives or regulations issued by the California State Department of Industrial Relations or any other regulatory body of competent jurisdiction.

(d) Uses Requiring Specific County Approval. Notwithstanding the foregoing, the following uses, licenses to use or modifications to the Premises shall require advance written County approval:

(i) Contracts licensing use of the Premises in excess of One Hundred Thousand and no/100 Dollars (\$100,000.00) in gross revenue and/or value. This amount shall increase by Twenty Five Thousand and no/100 Dollars (\$25,000.00) on the fifth (5th) anniversary of the Effective Date and on the anniversary of the Effective Date on each succeeding five (5) year period.

(ii) Contracts authorizing motorized racing events of a seasonal or extended duration issued to promoter(s) in lieu of the PVSC's direct operation of such motorized racing. The Parties acknowledge County has approved the Motorsports Operating And Promoter Agreement by and between PVSC and BMRP, Inc. permitting motorized racing for an initial term ending January 1, 2022, and all options granted to BMRP, Inc. to extend the term in existence as of the Effective Date.

(iii) Any event attended by more than Eight Thousand (8,000) people at one time.

(iv) Improvements made pursuant to Section 1.11 herein.

(e) County Approval Process. County approval of contracts subject to Sections 1.06(d) (i)-(iii) herein shall be in writing and issued by the Director of Facilities Management, or designee. Notwithstanding Section 2.30, County may condition any such approval upon specific requirements including, but not limited to, contract duration and physical configuration. The parties acknowledge that PVSC and County have

developed a routine process for contracts subject to Section 1.06(d)(i) and 1.06(d)(iii) herein that includes a Standard Application Form, County Review, Conditions by County (if required), and Standard Contract executed by PVSC. PVSC agrees to continue to use this established process, subject to future revision as approved by the County.

(f) Default. Use, the issuance of a license to use or the commencement of an Improvement inconsistent with this Section 1.06 shall constitute a material default pursuant to Section 2.07 herein.

(g) Revenue. All income, revenues, and receipts related to the use and management of the Premises by PVSC shall accrue to PVSC; and all such revenue shall be used by PVSC to discharge its obligations arising out of or related to the Premises.

Section 1.07. Existing Term Agreements

On the Effective Date, the Parties acknowledge that the following Term Agreements are managed by PVSC on the Premises:

- 1) Roseville Community Preschool, 50 Corporation Yard Road, Roseville, CA.
- 2) Roseville Community School, 50 Corporation Yard Road, Roseville, CA.
- 3) Roseville Rock Rollers Gem and Mineral Society, 200 Corporation Yard Road, Roseville, CA.
- 4) Speedworld Racing, 90 Corporation Yard Road, Roseville, CA.

Section 1.08. Placer County Fair

(a) Annually during the Fairgrounds Term PVSC will organize, manage and produce the Placer County Fair ("**Fair**") in accordance with the provisions of this Section 1.08. PVSC shall hold and maintain membership in good standing with the Western Fairs, Inc. of Sacramento, CA, or an equivalent trade association, and provide written evidence of same to County. PVSC shall annually organize, manage and produce the Fair in accordance with the usual and customary industry standards for the benefits of the County and the State of California and in substantially the same manner and with similar attractions as was the practice prior to the Effective Date of the AAO. This shall generally include protocols prescribed by the State of California relating to agricultural and livestock competitions for youth. PVSC shall be solely responsible for securing services of individuals or entities that can successfully produce the Fair. PVSC shall comply with all applicable California State Department of Food and Agriculture standards and requirements.

(b) PVSC agrees to bear, assume, pay and discharge all expenses and obligations incurred by it in connection with the Fair, excepting alone therefrom the following:

(i) Such sums as the County may allocate for work in advance of holding the Fair and other purposes incidental to the plans and preparation of the Fair, or as otherwise appropriated or approved for disbursement by the County Board of Supervisors.

(ii) Such sums as have been or may be appropriated by the State Department of Food and Agriculture to the County from the Fair and Exposition Fund of the State of California, which the Board of Supervisors with the consent of the State Department of Food and Agriculture shall pay to PVSC.

(iii) County's obligation, if any, to reimburse PVSC for all or a portion of the costs of Repairs as specified in Exhibit E, attached hereto, which County shall pay to PVSC.

(iv) Such sums as the County may allocate toward expenses reasonably incurred by PVSC to improve the facilities, including utilities, within the Fairgrounds Area. The Parties shall review the scope and cost of such proposed improvements, and negotiate the amount and terms of an allocation for consideration by the Board of Supervisors acting through and by means of its budgetary process.

(c) PVSC shall retain and use all monies received by it as a result of the Fair, and from the use and management of the Premises during the Fair, and shall pay therefrom all expenses incurred in connection with both.

(d) During the period of the Fair, PVSC will not engage in the conduct or operation in the County of any other fair, exposition or contest in direct conflict with the Fair.

(e) PVSC will accurately make and keep all Fair-related records substantially in conformance with applicable State of California standards and shall make such records available for State and County review.

Section 1.09. Emergency and Other County Mandated Uses.

(a) County may use, lease, or license portions of the Premises to third-Parties, or mandate the use of portions of the Premises by third Parties, in accordance with the provisions of this Section 1.09.

(b) Emergency Use: In the event of an emergency declared by the United States of America, the State of California or the County of Placer, PVSC shall permit use of the Premises in accordance with and to facilitate relief from the emergency as declared. In the event compensation or funding is provided to County in consideration

or funding of the use of the Premises for such emergency, such compensation or funding shall be paid by County to PVSC without deduction or offset.

(c) **Standard Use:** County may use or delegate use of, portions of the Premises for reasons other than those specified in subdivision (b) and (d) of this Section 1.09, provided County complies with PVSC's customary procedures and pays to PVSC its customary fees and charges.

(d) **Special Use:** During each calendar year beginning (i) in 2023, or (ii) upon PVSC having managed the Premises during the most recent fiscal year on a net asset basis, whichever first occurs, County may use portions of the Premises at reduced cost, as described herein ("**Special Use**"). Each Special Use shall be requested by the County Executive Officer, or designee, in writing and shall be confirmed by PVSC in advance as described below. Special Use pursuant to this provision shall not occur on weekends, Federal holidays, or evenings after 5:00 pm. The County shall pay PVSC for custodial materials and labor, and table and seating setup. PVSC shall provide on-site parking and utilities at no cost. The following facilities shall be provided each calendar year, in the quantities described below, and subject to availability at the time of booking:

(i) Premises; including the Event Center, Jones Hall, Johnson Hall, and associated grounds and improvements, but excluding the Speedway Area – one (1) 1-day use, scheduled 6-months in advance

(ii) Johnson Hall – two (2) 1-day uses, scheduled 2-months in advance.

The Parties agree that the County's Special Use may be rescheduled at PVSC's written request once for each scheduled use with at least ninety (90) days' notice for Premises use and with at least thirty (30) days' notice for Johnson Hall use.

Section 1.10 Premises Condition and Possession

(a) **Possession and Condition of Premises:** PVSC agrees and acknowledges that it has had a reasonable opportunity to access the Premises and conduct any inspections and/or investigations of the Premises, which it considered necessary or prudent, and that PVSC has determined that the Premises is satisfactory to its purpose. PVSC therefore assumes management of the Premises "as is" as of the Effective Date and shall thereafter bear full responsibility for the condition of the Premises during the respective Terms, unless otherwise specifically provided for herein.

(b) **Noninterference:** County covenants that it owns the Premises in fee simple, and that it has good and marketable title to the Premises and that the Premises is free of all leases, easements, covenants, conditions and restrictions except for those exceptions set forth in the Preliminary Report dated January 19, 2017, the receipt of which by PVSC is acknowledged and as stated in Section 1.07. County has the full right and authority to make and enter into this Agreement. PVSC shall manage the Premises consistent with this Agreement, provided that PVSC pays all sums herein

recited to be paid by PVSC and performs all of PVSC's covenants and agreements herein contained.

Section 1.11 Improvements by PVSC

(a) Facility Modification or Construction: To discharge its responsibility to manage the Premises, PVSC may undertake improvements beyond repair and maintenance of Premises buildings or grounds ("**Improvements**").

(b) County Approval: County approval ("**Facility Approval**") of Improvements is required in the circumstances stated in this Section 1.11(b).

(i) New construction or existing facility modifications costing in excess of Fifty Thousand Dollars (\$50,000.00). This amount shall increase by Fifteen Thousand and no/100 Dollars (\$15,000.00) on the fifth (5th) anniversary of the Effective Date and on the anniversary of the Effective Date on each succeeding five (5) year period.

(ii) New construction or existing facility modifications costing Fifty Thousand Dollars (\$50,000) or less that result in a change in use ("**Change In Use**"). A Change In Use of an improvement or facility shall include, but not be limited to, a material alteration of its historic use, such as converting (a) the intermittent use of the Ag and Livestock Area to long term animal boarding, or (b) the use of an exhibit hall for dog boarding or permanent manufacturing.

(iii) Demolition or removal of existing facilities or structures.

(c) Facility Approval shall be secured in writing from the County's Director of Facilities Management or designee before commencing work. PVSC and County shall develop a routine process that includes PVSC's provision of a Description of Work ("**Description of Work**"), County review, County conditions (if required), characterization of the work as Improvement or trade fixtures (subject to removal at end of Term), and PVSC securing any required regulatory permits.

(d) PVSC shall comply with applicable provisions of the Americans with Disabilities Act, and all laws of the State of California and the County of Placer, including, but not limited to, the current edition of the California Building Standards Code and Title 24 of the California Code of Regulations, as adopted by the County of Placer.

(e) PVSC will observe all County policies that generally control the use of County facilities. PVSC shall promptly notify County on completion of all improvements regardless of value.

(f) The Director of Facilities Management, or designee, shall evaluate the Description of Work and determine the appropriate review process, if any. Unless otherwise directed by the Director of Facilities Management, or designee, PVSC shall

follow the planning and development regulations of the County of Placer, which may include a use permit or other land-use entitlement or functional equivalent.

(g) **Duty to Perform Repairs:** As material consideration for this Agreement, PVSC shall commence, perform and complete the work described in Exhibit E, attached hereto, in accordance with the terms therein stated. (hereinafter "Repairs").

Section 1.12 Ownership of Improvements

(a) Upon completion and except as otherwise agreed, title to work characterized as Improvements shall at all times during the Term hereof belong to County without payment of any further consideration to PVSC. At the end of this Agreement, PVSC shall leave the Premises in such condition that it shall not be in violation of any rules or regulations governing the condition of the Premises or in violation of any land-use, building, health, or safety code, and shall not be subject to undue erosion or degradation by environmental conditions and pedestrian or vehicular traffic. The County may cause any personal property that is not removed from the Premises within thirty (30) days after the date of any termination of this Agreement to be removed from the Premises and stored at PVSC's expense, or at County's election the personal property thereafter shall belong to County without payment of any consideration.

(b) In connection with PVSC's removal of PVSC equipment and property, the following may be necessary in order to surrender the Improvements in a safe condition and to satisfy any applicable code requirements: (i) "cap off" (either at the wall, ceiling or floor, as appropriate) all electrical wiring and other utility supply lines (e.g., coolant lines) servicing any such equipment (specifically excluding, however, all fire sprinkler lines which will not be moved or altered except to the extent necessary to preserve the structural integrity of such lines as they may be affected by the removal of any merchandise racking and other personal property), and (ii) in those instances where any such equipment was anchored to the floor, cause any anchoring bolts or similar connectors to be ground down flush with the flooring.

(c) PVSC shall not have any obligation to (i) remove any other fixtures beyond those specified herein, (ii) level the floor slab (and County hereby expressly acknowledges that upon removal of PVSC equipment and property there will be holes channels and differences in grade between the former location of equipment and the floor slab); (iii) replace any Capital Components; or (iv) perform any other repairs or make any improvements to the Premises; provided, however, PVSC shall leave Improvements such that all openings, including but not limited to any doors, windows and the roof, shall be secured so that the building(s) are fully closed and does not constitute an attractive nuisance.

Section 1.13 Title to the Premises

Fee title to the Premises is and shall remain vested in County. The Parties agree and acknowledge that title to the Event Center Building transferred to the County pursuant to the Termination Agreement.

Section 1.14 Removal of PVSC's Property

If PVSC is not in default as to the payment of any fee or other charge payable to County hereunder, PVSC may remove its Trade Fixtures from the Premises upon expiration or sooner termination of this Agreement, or portion hereof. If PVSC does not so elect, or otherwise fails to remove the same, or any part thereof, within thirty (30) days following the expiration or earlier termination of an applicable Term, County may, at its option, either require such removal at PVSC's sole cost and expense, or keep such property, in which latter event title to the same shall vest in County without any obligation to pay PVSC with respect thereto.

Section 1.15 Maintenance

(a) County Responsibility: County shall have no maintenance obligation to the Premises during the Term or any extension thereof, except as specifically provided for herein.

(b) PVSC Responsibility: PVSC shall, at its sole cost and expense, maintain all portions of the Premises, including the Event Center Building and the Event Center Addition and Culinary Building, if constructed, all accessory buildings, structures, utilities and infrastructure, and including any easements or other travel ways through the Premises for use by vehicles in accordance with all applicable laws and regulations, whether now or hereafter enacted, and the terms of this Agreement, including but not limited to the following:

(i) The Premises shall at all times be kept in a clean, safe, and orderly condition and appearance, including all fixtures, equipment and personal property of PVSC thereon, and all equipment and property handled by PVSC on or about such Premises, reasonable wear and tear excepted.

(ii) PVSC shall be solely responsible for provision of any landscape maintenance, janitorial or cleaning service at the Premises.

(iii) PVSC shall take reasonable care of the Premises, and any Improvements constructed by PVSC thereon, including but not limited to, all preventive maintenance and all structural repairs, replacements, rebuilding and painting necessary to keep such Premises in the condition existing as of the Effective Date or, if later, at the time of completion of construction of the Improvements. In compliance with the foregoing PVSC shall comply with all Manufacturers' Recommendations reasonably needed to maintain Warranties on Improvements and equipment used in the operations of the Premises.

Notwithstanding the foregoing, PVSC's obligations hereunder shall exclude reasonable wear and tear, provided such reasonable wear and tear does not adversely affect the structural integrity of improvements located on the Premises.

(iv) PVSC shall ensure the appropriate handling, disposal or removal of any waste material or any product associated with PVSC's use of the Premises.

(v) Upon request made not more frequently than two times annually, PVSC shall permit County to audit PVSC's Preventative Maintenance Program (PMP) and records during normal business hours at County expense to confirm PVSC's adherence to maintenance protocol and manufacturer's recommendations for building systems and those items related to building operations.

(vi) County shall not be required to notify PVSC to perform any of PVSC's maintenance responsibilities hereunder. In the event (i) County delivers such notice, (ii) the maintenance required pursuant to such notice is the obligation of PVSC hereunder, and (iii) PVSC fails to commence and, thereafter, diligently prosecute completion of the maintenance which is called for by such notice within thirty (30) days following receipt thereof, County may, at its option, itself perform, or cause to be performed, such work at PVSC's sole cost and expense. In such event, PVSC shall, upon demand, reimburse County for all costs and expense of any kind or character incurred by County in connection therewith plus a fifteen percent (15%) administrative charge. Such option shall be in addition to any exercise thereof and shall not be deemed to create or imply any obligation or duty whatsoever to County or to any other person.

(vii) Notwithstanding Section 1.15 b. (i) – (v), during the last five (5) years of the Term costs to maintain, repair or replace current or future Improvements which would be capitalized for federal or state income tax purposes under generally accepted accounting principles (“**Capital Expenditure**”) shall be apportioned between County and PVSC such that (a) PVSC shall pay an amount equal to the product determined by multiplying the Capital Expenditure by a fraction, the numerator of which is the number of months remaining in the Term and the denominator of which is the number of months during the estimated useful life of the Capital Expenditure (“**PVSC's Proportional Share**”), and (b) County shall pay the balance of such Capital Expenditure (“**County's Proportional Share**”). In its discretion County may accrue and defer its obligation under the preceding sentence to pay County's Proportional Share. If County elects to defer payment of County's Proportional Share, PVSC shall be required to pay the full cost of such Capital Expenditure as and when incurred and County shall be obligated to reimburse PVSC County's Proportional Share upon and at termination of this Agreement, together with interest on County's Proportional Share at the rate of seven percent (7%) from the date of payment by PVSC of County's Proportional Share to the date of repayment.

Section 1.16 Trash, Garbage and Storage

(a) PVSC shall, at its sole cost and expense, provide a complete and proper arrangement for the adequate sanitary handling and disposal away from the Premises of all trash, garbage, and other refuse resulting from, or in any way associated with, PVSC's operations hereunder. Such arrangements shall include, but not be limited to, the use of suitable covered metal receptacles at the Premises for such garbage, trash, and other refuse.

(b) PVSC shall not store or permit to be stored any materials, parts or vehicles in, on or about the Premises which are not incidental to the operation of PVSC at the Premises.

Section 1.17 Repairs and Liens

(a) General Repairs by PVSC: PVSC shall, at its own cost and expense, keep the Premises, grounds, and Improvements in good condition and repair, reasonable wear and tear excepted, throughout the Term of the Agreement. PVSC shall at its own cost and expense repair or replace any damage done to the Premises or Improvements or any part thereof, or neighboring properties or improvements thereon, caused by PVSC or PVSC's agents, contractors, employees, invitees, or visitors.

(b) Liens: PVSC shall promptly pay and discharge all claims for work or labor done, supplies furnished or services rendered at the request of PVSC and shall keep the Premises free and clear of all mechanics' and materialmen's liens in connection with the Premises. The County shall have the right to post or keep posted on the Premises, or in the immediate vicinity thereof any notices of non-responsibility for any construction, alteration or repair of the Premises by PVSC. If any such lien is filed, the County may, but shall not be required to, upon written notice to PVSC and after providing PVSC a reasonable opportunity to remove such lien, take such action or pay such amounts as may be necessary to remove such lien. PVSC shall reimburse County for all reasonable sums incurred by County pursuant to this section within sixty (60) days after written notice is received from County. PVSC shall hold County harmless from all such liens.

Section 1.18 Additional Requirements

(a) Compliance with Mitigation Measures. PVSC agrees to, and shall, comply with all mitigation measures contained in the EIR.

Section 1.19 Net Agreement

(a) Except as otherwise expressly provided herein, it is the intent and purpose of County and PVSC that all obligations of PVSC herein shall be absolutely net to County so that this Agreement shall yield to County payments free of any charges, assessments, impositions or deductions of any kind or character which may be charged, assessed, or imposed on or against PVSC or the Premises, without abatement, deduction or set-off by PVSC. Such fees shall include but not be limited to any charges,

assessments, or impositions resulting from any emergency response service (including medical, police, or fire response) that is provided to PVSC or to PVSC's agents, contractors, employees or clients.

(b) County shall not be expected or required to pay any such charge, assessment or imposition, or be under any obligation or liability hereunder with respect thereto. All loss, costs, expenses and obligations of any kind relating to the maintenance and operation of the Premises, including Improvements thereupon, and all alterations, repairs, reconstruction and replacements as hereinafter provided which may arise or become due during the term hereof, shall be paid by PVSC, and PVSC shall indemnify, defend, and hold harmless County, its officers, agents, and employees, from any and all such loss, costs, expenses and obligations.

Section 1.20 Utilities

PVSC shall pay all sums for utilities consumed and services delivered to the Premises for PVSC's use and to its users identified in Section 1.07 herein. This shall include the cost of any utility connection fees associated with PVSC's use.

Section 1.21 Branding, Naming and Signs

(a) Naming Rights Within The Premises. PVSC shall have the sole and exclusive right to name all improvements on the Premises as of the Effective Date, all future Improvements constructed on the Premises and all unimproved areas within the Premises ("**Naming Rights**"). PVSC's Naming Rights include the right to include the name of one or more corporate sponsors. Naming Rights shall include the right to receive all income derived from such rights. PVSC agrees to use any monies received from Naming Rights in compliance with Section 1.06(g).

(b) Naming Rights of Premises. Conditional upon the written approval of County, which approval shall not be unreasonably withheld, conditioned or delayed, PVSC shall have the right to rename the Premises to reflect its use for community purposes consistent with the Recitals set forth herein. Notwithstanding the foregoing in Section 1.21 (a): (i) County shall have the right to consent to the name assigned to the Fairground Property, which consent shall not be unreasonably withheld, and (ii) the name assigned to the Fairground Property shall include the words "Placer County."

a. Street and Driveway Naming. PVSC and County shall cooperate in the potential naming and/or renaming of roads and driveways at the Premises. The Parties shall work with the City of Roseville in this regard, with an example being the driveway extending south from Junction Boulevard, across from Vallejo Avenue, and now named Event Center Drive.

b. Placer County Fair Naming. Notwithstanding the foregoing provisions of this Section, at all times the Fair shall be named and described as the "Placer County Fair."

(c) Signs. PVSC shall not erect, maintain, or display any sign on the Premises, without the prior written consent of the County. PVSC shall submit drawings, sketches, designs, and dimensions of such signs to County when requesting such approval. The Director of Facilities Management, or designee, shall review all such submittals for consistency with County's sign policies as may be promulgated by County. PVSC shall be required to provide all signage as required by the Americans with Disabilities Act at PVSC's sole expense. Any condition, restriction, or limitation as to use or appearance of such signs as may be stated by the County in writing shall become a part of this Agreement, as if specifically set forth herein. County reserves the right to remove sign erected, maintained or displayed in breach of this subsection upon not less than thirty (30) days advance written notice, and at PVSC's sole expense. As used herein, "sign" means any advertising sign, billboard, identification sign or symbol, poster, or other similar device, regardless of content.

Section 1.22 Taxes

(a) As of the Effective Date of this Agreement PVSC shall be responsible for payment of real property taxes and assessments, if any, including any possessory interest tax in-lieu of real estate taxes, that are levied or assessed against the Premises including without limitation those levied pursuant to Revenue and Taxation Code Section 107.6, a copy of which is attached hereto as **Exhibit C**. PVSC shall pay taxes, fees, assessments assessed on PVSC's fixtures, equipment, furniture, and other personal property located on the Premises. PVSC shall pay such taxes, assessments and charges prior to delinquency and before any fine, interest or penalty shall become due or be imposed by operations of law for their nonpayment.

(b) PVSC shall have the right to contest in its own name, in good faith and by all appropriate proceedings, the amount, applicability, or validity of any tax assessment pertaining to the Premises. In the event PVSC initiates such contest, County shall reasonably cooperate with PVSC, provided that such contest will not subject any part of the Premises to forfeiture or loss; and provided, further, that if PVSC contests any assessment made by the Assessor of the County of Placer, such contest shall not be initiated in the name of the County of Placer, and County shall not be obligated to cooperate therewith.

(c) If at any time payment of any tax or assessment becomes necessary to prevent any forfeiture or loss, PVSC shall timely pay such tax or assessment to prevent such forfeiture or loss.

Section 1.23 Insurance

(a) PVSC Insurance. PVSC shall carry and provide evidence of insurance as set out in **Exhibit D**, attached hereto and incorporated herein.

(b) County Third-Party Insurance. County shall maintain in effect at all times fire and hazard "all risk" insurance covering one hundred percent (100%) of the full replacement cost valuation of all buildings and improvements located on the Premises,

including vandalism, malicious mischief, cost of excavation and foundation below the lowest floor or, if there is no floor below the ground level, below the level of the ground, and the Improvements constructed as permitted herein (collectively, the "**Covered Improvements**"). In the event County procures insurance pursuant to this Section 1.23(b), the policy of insurance may be subject to a deductible not greater than Five Thousand Dollars (\$5,000) ("**Approved Deductible**").

(c) County Self-Insurance. In the alternative to the obligation stated in Section 1.23(b), County may self-insure the Covered Improvements to a standard of protection and valuation equivalent to Section 1.23(b).

Section 1.24 Annual Reports

(a) Recordkeeping: PVSC shall prepare and maintain an adequate set of records, in accordance with generally accepted accounting practices for PVSC's operations and activities as set forth in this Agreement. All financial reports required of PVSC shall be prepared in accordance with generally accepted accounting principles.

(b) Certified Annual Report: Throughout the Term, PVSC shall submit, for the approval of the County, an annual report (the "**Certified Annual Report**"). Each Certified Annual Report must be submitted to County no later than one hundred and twenty (120) calendar days following the last day of each calendar year, at County's Notice address as specified in Section 2.08 herein.

The Certified Annual Report shall be signed by an independent Certified Public Accountant ("**CPA**") or by PVSC's chief financial officer and shall be in a format and in detail reasonably satisfactory to the County. The Certified Annual Report shall include a certified opinion as to the accuracy of PVSC's annual report for the preceding calendar year based on such CPA's or PVSC's chief financial officer's audit and examination of source documents forming the basis of that report. PVSC shall bear the entire cost of each Certified Annual Report. Certified Annual Report shall cover PVSC's operations, including the Fair.

(c) Presentation to Board of Supervisors: PVSC shall, annually, through its CEO or Chairperson, present a written report to the County Board of Supervisors and the County Executive Officer. At the sole discretion of County, such report may include an oral presentation to the Board of Supervisors. Such report shall include, but not be limited to, an annual budget, rental contracts, interim events, attendance, figures, speedway operation, Fair, major maintenance, Improvements, projects completed, and proposed projections for the year ahead.

Section 1.25 Retention of Records

PVSC shall keep available, for a period of two (2) years after each completed year of operation, the books and records of account of PVSC for such year. PVSC's books and records of account shall be made available to County or its duly authorized agents or auditors during the regular business hours of County for the purpose of

verifying the information set forth in any Certified Annual Report or for the purpose of verifying compliance by PVSC with the terms of this Agreement.

Section 1.26 Audit

PVSC shall, upon request made by the County, make all or any part of its records relating to obligations and terms relevant to this Agreement available to the County, or any other authorized representative of County during normal business hours throughout the term of this Agreement, for the purposes of inspection, copying, or audit. Except as otherwise expressly provided herein, the cost of such inspection, copying or audit shall be borne by County.

Section 1.27 PVSC Right To Purchase Or Lease The Speedway Area

(a) Right To Purchase Or Lease. If, at any time during the Fairgrounds Term County (i) desires to sell or lease any portion of the Speedway Area ("**County Determination to Sell or Lease Event**"), or (ii) receives an unsolicited offer from a third party to purchase or lease any portion of the Speedway Area that is acceptable to County ("**Unsolicited Offer Event**") (each herein referred to as an "**Option Event**"), subject to any State law offer and/or notice requirements, County shall offer to PVSC the right to purchase or lease the Speedway Area portion on the terms and conditions stated in this Section 1.27.

(b) Option Event; Notice and Response. County shall notify PVSC of the occurrence of an Option Event in writing in accordance with Section 2.08 ("**Option Event Notice**"). The Option Event Notice shall also include the sale price or the lease rate, which either the County is asking for, or the third party is offering ("**Offer Price**") and the material terms for said purchase or lease, including, without limitation, a determination of whether any demolition and/or other removal of improvements are required as a condition or covenant of sale or lease. Not later than thirty (30) days after receipt of the Option Event Notice, PVSC shall elect in writing delivered to County in accordance with Section 2.08 either to (i) exercise its rights under this Section 1.27, or (ii) waive its rights and, except as otherwise stated herein, permit County to sell or lease the Option Area free of PVSC's rights hereunder ("**PVSC Response**").

(c) Option Area. The portion of the Speedway Area subject to sale or lease pursuant to this Section 1.27, shall include any improvements constructed on the land area to be sold or leased, unless such improvements are required to be demolished or otherwise removed as a condition or covenant of sale or lease. The size and location of the Option Area, and associated improvements required, are described herein:

(i) Fairgrounds Addition and Option Area. To facilitate ongoing PVSC Use of the Fairgrounds Area pursuant to this Agreement; regardless of whether PVSC or a Third Party purchases or leases the Option Area, the Parties shall designate approximately five (5) acres within the Speedway Area to be appended to the Fairgrounds Area, by future amendment of this Agreement ("**Fairgrounds Addition**"). The Fairgrounds Addition shall be in the westerly portion of the

Speedway Area, and the exact size and shape shall be determined by the Parties. The ultimate Fairgrounds Addition area will be determined after consideration of PVSC's current operational needs including but not limited to its obligations herein pursuant to Section 1.08 to produce and manage an annual Placer County Fair and options for shared parking that could maximize the development potential of the Option Area. In the event the parties are unable to determine the exact size and shape of the Fairgrounds Addition, then the boundaries of the Fairgrounds Addition shall be the westerly most 5.0 acres of the Speedway Area. The Speedway Area acreage, less the Fairgrounds Addition acreage, results in the Option Area ("**Option Area**"), that may be sold or leased pursuant to this Section 1.27.

(ii) Option Improvements. To prepare the Fairgrounds Addition for PVSC Use, certain improvements to the Speedway Area may be required, including: demolition of the Grandstands and banked racetrack, mass-grading to level the Speedway Area, and placement of aggregate base or suitable surface and improvements for parking on the Fairgrounds Addition as may be required by County's land development manual ("**Addition Improvements**"). Concurrent with delivery of an Option Event Notice, the Parties shall negotiate the exact scope of the Addition Improvements, if any, reasonably necessary to support future use of the Option Area and the Fairgrounds Area for the Intended Uses. Such negotiations shall conclude within sixty (60) days of delivery of an Option Event Notice. In the event the parties are unable to determine the scope of the Addition Improvements within said sixty (60) days, the scope of the Addition Improvements shall include those modifications reasonably necessary to permit the continued delivery by PVSC of customary management services within the Fairgrounds Area and the Fairground Addition in accordance with the Intended Uses, including the annual County Fair, determined by private arbitration. All design, permitting and construction of the Addition Improvements shall be the responsibility and sole expense of the party purchasing the Option Area.

(d) Price of Property Interest To be Sold or Leased. In the event PVSC timely delivers a PVSC Response electing to purchase or lease an Option Area in accordance with Section 1.27(b), the price of the property interest shall be determined by the County within thirty (30) days of delivery of the PVSC Response in accordance with the procedures specified as follows:

(i) The Purchase Price of the Option Area shall be an amount equal to Ninety Percent (90%) of the Offer Price ("**Purchase Price**").

(ii) In the event the PVSC Response states its desire to lease the Option Area, the lease rate shall be Ninety Percent (90%) of the Offer Price ("**Lease Rate**").

(e) Upon determination of the Purchase Price or the Lease Rate, as applicable, PVSC may elect either (i) to waive its right to purchase or lease the Option Area, or (ii) to proceed with purchase or lease of the Option Area in accordance with the PVSC Response, which election shall be made by PVSC in its sole discretion in writing

and delivered to County in accordance with the notice provisions of this Agreement not later than thirty (30) days after determination of the Purchase Price or Lease Rate.

(f) In the event PVSC elects to proceed with purchase or lease of the Option Area, the Parties shall consummate the purchase or lease not later than ninety (90) days after determination of the Purchase Price or Lease Rate.

(g) In the event:

(i) County delivers to PVSC an Option Event Notice, PVSC elects at any time pursuant to Sections 1.27(b) or 1.27(e) to waive its right to purchase or lease an Option Area, and County thereafter either (i) contemplates a sale or lease of the Option Area to a third party on terms less favorable to PVSC than the terms stated in the Option Event Notice, or (ii) does not consummate a sale or lease of the Option Area to a third party within nine (9) months after County delivered the Option Event Notice to PVSC on terms at least as favorable to PVSC than the terms stated in the Option Event Notice, the rights of PVSC under this Section 1.27 shall renew and remain in full force and effect, and the Parties shall be required to comply with the provisions hereof in the event County thereafter desires to sell or lease any remaining portion of the Speedway Area; or

(ii) County sells or leases a portion of the Speedway Area after having complied with its obligations under this Section 1.27 and thereafter desires to sell or lease any other portion of the Speedway Area, or receives an unsolicited offer from a third party to purchase or lease any remaining portion of the Speedway Area that is acceptable to County, such event shall be an Option Event and the Parties shall be required to comply with the provisions hereof with respect to such Option Event.

Article II. Article 2 – General Covenants and Conditions

Section 2.01. Mediation

County and PVSC agree that, if and to the extent that any claim, counterclaim, dispute, and other matter in question between them arising out of or relating to this Agreement or the breach thereof (collectively, “**Dispute**”) cannot be resolved through direct discussions, such Dispute shall be sent to mediation by the parties administered by the American Arbitration Association under its Commercial Mediation Rules, prior to either County or PVSC initiating against the other an action in any court seeking resolution, damages or other form of legal or equitable relief as a result of the facts underlying the Dispute. All expenses of the mediation shall be borne by the parties equally; however, each party shall bear the expense of its own counsel, experts, witnesses, and preparation and presentation of proofs.

Section 2.02. Waiver of Subrogation

(a) PVSC hereby waives any right of recovery from County, its officers and employees, and County hereby waives any right of recovery from PVSC, its officers or employees, for any loss or damage (including consequential loss) resulting from any of the perils insured against in the standard form fire insurance policy with extended coverage endorsement if agreeable by the PVSC and County's insurance carriers.

(b) PVSC shall cause each insurance policy obtained by it to provide that the insurance company waives all right of recovery by way of subrogation against either Party in connection with any damage covered by any policy. If any insurance cannot be obtained with a waiver of subrogation, PVSC shall notify County of this fact. County shall have a period of ten (10) days after receiving the notice either to place the insurance with a company that is reasonably satisfactory to the other Party and that will carry the insurance with a waiver of subrogation, or to agree to pay the additional premium if such a policy is obtainable at additional cost. If the insurance cannot be obtained or County refuses to pay the additional premium charged, PVSC is relieved of the obligation to obtain a waiver of subrogation rights with respect to the particular insurance involved.

(c) County shall cause each insurance policy obtained by it pursuant to this Agreement to provide that the insurance company waives all right of recovery by way of subrogation against either Party in connection with any damage covered by any policy. If any insurance cannot be obtained with a waiver of subrogation, County shall notify PVSC of this fact. PVSC shall have a period of ten (10) days after receiving the notice either to place the insurance with a company that is reasonably satisfactory to the other Party and that will carry the insurance with a waiver of subrogation, or to agree to pay the additional premium if such a policy is obtainable at additional cost. If the insurance cannot be obtained or PVSC refuses to pay the additional premium charged, County is relieved of the obligation to obtain a waiver of subrogation rights with respect to the particular insurance involved.

Section 2.03 Indemnification

To the fullest extent permitted by law, PVSC shall defend, indemnify and hold harmless the State of California and the County of Placer (collectively, the "**Indemnified Parties**"), and each and of their respective agents, directors and employees from and against all claims, damages, losses and expenses of every kind, nature and description (including, but not limited to, attorney fees, expert fees, and costs of suit) directly, or indirectly arising from or in any way related to the performance or nonperformance of this Agreement, regardless of responsibility of negligence by reason of death, injury, property damage, or any claim arising from the alleged violation of any state or federal accessibility law, statute or regulation, (including but not limited to, the Americans With Disabilities Act, and/or any state, local, successor or comparable provision of law) however caused or alleged to have been caused and even though claimed to be due to the negligence of any of the Indemnified Parties. The indemnification provided herein expressly includes, without limitation, any losses or claims related to payment or

nonpayment of wages by PVSC and/or its agents or contractors. Provided, however, that in no event shall PVSC be obligated to defend or indemnify an Indemnified Party with respect to the willful misconduct of the Indemnified Party, its employees or agents (excluding PVSC herein or any of its employees or agents). PVSC agrees to promptly report to County Risk Management any and all claims made to PVSC during the term of this Agreement.

Section 2.04 Damage or Destruction

(a) Damage or Destruction of Improvements. Except as set forth below, in the event of damage to, or destruction of, the Premises and/or Improvements or in the event the Premises and/or Improvements are declared unsafe or unfit for use or occupancy by a public entity with the authority to make and enforce such declaration, PVSC shall, within one hundred and eighty (180) days, commence and diligently pursue to completion the repair, replacement or reconstruction of the Premises and/or Improvements necessary to permit full use and occupancy of the Premises and/or Improvements for the use permitted by this Agreement.

(b) Use of Insurance Proceeds; Deductible. Except as set forth below, all insurance proceeds recovered by reason of damage to or destruction of the Covered Improvements shall be made available by County to PVSC and shall be used by PVSC to repair, restore or replace the Covered Improvements so damaged or destroyed in a good and workmanlike manner according to plans approved in writing by the County. All insurance proceeds received in compensation for Covered Improvements not used to repair, restore or replace such Covered Improvements shall be paid by County to PVSC and used by PVSC for improvements to the County Property. PVSC shall be responsible for payment of deductibles in an amount equal to or less than the Approved Deductible and County shall pay to PVSC any deductible amount in excess of the Approved Deductible.

(c) Self-Insurance. Except as set forth below, in the event County elects to self-insure the Covered Improvements County shall pay to PVSC an amount reasonably necessary to repair, restore or replace the Covered Improvements so damaged or destroyed.

(d) Damage or Destruction of Improvements; Insurance Inadequate. In the event the insurance County is required to maintain pursuant to Section 1.23 of this Agreement is not reasonably adequate to pay for and discharge the costs of repair, replacement or reconstruction of the Premises and/or Improvements after damage, in the sole discretion of PVSC it shall not be obligated to repair, replace or reconstruct the Premises and/or Improvements. Upon the election of PVSC not to repair, replace or reconstruct the damaged Premises and/or Improvements, (i) the parties shall meet and negotiate in good faith a mutually acceptable use of such proceeds, and (ii) except as set forth in Section (e) of this Section 2.24 the proceeds shall be used by PVSC in compliance with Section 1.06(g).

(e) Damage Near End of Fairgrounds Term. If at any time during the last forty-eight (48) months of the Fairgrounds Term there is damage or destruction to the Premises and/or Improvements and the cost to repair such damage makes any repair and restoration economically infeasible as determined by PVSC in its sole discretion, PVSC may cancel and terminate this Agreement as of the date of occurrence of such damage by giving written notice to County of PVSC's election to do so within ninety (90) days after the date of occurrence of such damage."

Section 2.05 Eminent Domain

(a) If all or Material Part of the Premises shall be taken or appropriated for public or quasi-public use by right of eminent domain with or without litigation or transferred by agreement in connection with a threat of exercise of such a right, either Party shall have the right, at its option, to terminate this Agreement as of the date possession is taken by the condemning authority. The term "**Material Part**" as used in this Section 2.05 shall mean a taking that prevents PVSC from realizing the practical benefits of this Agreement. In the event of a taking under this Section 2.05 PVSC shall be entitled to receive and retain such separate awards and portions of lump sum awards as may be attributable to (i) Improvements constructed by PVSC within the Premises, (ii) modifications or improvements to facilities constructed by PVSC after March 21, 2017, to facilities existing on the Premises prior to March 21, 2017, (iii) any value resulting from the proximity of the area taken to the remainder area of the Premises, and (iv) the effect of operations at or on the Premises by PVSC pursuant to this Agreement. County shall be entitled to the remainder of the award. The Parties acknowledge the allocation of the award provided for herein is intended to compensate PVSC for improvements to the Premises constructed by PVSC and any additional value to the acquired areas that exist as a result of management of the by PVSC under this Agreement.

(b) In addition to the foregoing, if the Premises and Improvements must be restored or if that portion of the Premises not included within the taking is rendered less valuable after the exercise of the power of eminent domain, PVSC shall be entitled to that portion of the condemnation proceeds intended to compensate for the costs and expenses incurred in restoration or occasioned by the severance.

(c) No temporary taking of the Premises and/or of PVSC's rights therein or under this Agreement shall terminate this Agreement.

Section 2.06 Assignment

Except as set forth herein or below, PVSC shall not assign this Agreement or any interest therein, and shall not license or permit the use of the Premises or any part thereof or any right or privilege appurtenant thereto or permit any other person/party (the agents, clients and servants of PVSC excepted) to use the Premises or any portion thereof, without obtaining the prior written consent of County, which may be withheld at the County's sole discretion. Consent by County to one assignment or use by another person/party shall not be deemed to be a consent to any subsequent assignment or use

by another person. Use of the Premises by licensees as authorized by this Agreement consistent with the Intended Uses set forth herein is permissible and shall not constitute an assignment of this Agreement. Consent to an assignment shall not release PVSC from liability for the continued performance of the terms and provisions on the part of PVSC to be kept and performed, unless County specifically releases PVSC from the liability. Any assignment without the prior written consent of County shall be void, and shall, at the sole option of County, terminate this Agreement. Neither this Agreement, nor any interest therein, shall be assignable as to the interest of PVSC, by operation of law, without the prior written consent of County. Notwithstanding the foregoing, PVSC may assign its rights and obligations under this Agreement, or any of them, including its rights under Section 1.27, to PVT or an entity controlled or managed by PVT or PVSC upon sixty (60) days advance written notice to County.

Section 2.07 Default; Remedies

(a) Event of Default. The occurrence of any of the following shall constitute an event of default on the part of PVSC under this Agreement (an “**Event of Default**”):

(i) If PVSC at any time during the Term (and regardless of the pendency of any bankruptcy, reorganization, receivership, insolvency or other proceedings in law, in equity or before any administrative tribunal which have or might have the effect of preventing PVSC from complying with the terms of this Agreement) shall fail to make payment, when such payment is due, of any payment PVSC is required to pay pursuant to this Agreement and such failure continues for thirty (30) days following receipt of written notice thereof from County to PVSC; or

(ii) PVSC fails to observe or perform any of PVSC's covenants, agreements or obligations under this Agreement other than those set forth in subsection (a) above and such default is not cured within thirty (30) days after receipt of written notice thereof by PVSC or, as to any curable default which cannot with diligence be cured within such 30-day period, if PVSC shall fail to proceed promptly to cure the same and thereafter prosecute the curing of such default with diligence, it being intended in connection with a default not susceptible of being cured with diligence within such period of thirty (30) days, that the time within which to cure the same shall be extended for such period as may be reasonably necessary to complete the curing of the same with the diligence; or

(iii) If PVSC shall file a petition in bankruptcy or for reorganization or for any arrangement pursuant to any present or future federal bankruptcy act or under any similar federal or state law, or shall be adjudicated as bankrupt or insolvent or shall make an assignment for the benefit of its creditors, or if a petition or answer proposing the adjudication of PVSC as bankrupt or its reorganization under any present or future federal bankruptcy act or any similar federal or state law shall be filed in any court and such petition or answer shall not be discharged or denied within one hundred twenty (120) days after the filing thereof; or

(iv) If a receiver, trustee or liquidator of PVSC or of all or substantially all of the property of PVSC, including the Premises or the Future Improvements on the Premises, shall be appointed in any proceeding brought by PVSC, or if such receiver, trustee or liquidator shall be appointed in any proceeding brought by a third party against PVSC and if such receiver, trustee or liquidator shall not be discharged within one hundred twenty (120) days after such appointment.

(b) County's Remedies. Subject to the provisions and limitations of Section 2.01 and this Section, County shall have all rights and remedies available at law or in equity in respect of any Event of Default under this Agreement. Such rights and remedies shall include, without limitation, (i) equitable relief by temporary or permanent injunction or restraining order for the breach, (ii) the right to exercise self-help as set forth in Section 2.07(j) hereof, and (iii) in the case of any Event of Default that may be cured by the payment of money, the right to set off the amount due against any amounts due PVSC.

(c) Termination of Agreement. Notwithstanding anything to the contrary contained in this Agreement or any provision of applicable law, County and PVSC hereby agree that, from and after the Effective Date, County shall be permitted to terminate this Agreement or PVSC's rights hereunder only upon satisfaction of the each of the following events:

(i) The parties have completed the mediation process specified in Section 2.01;

(ii) County has obtained a final, non-appealable judgment against PVSC determining an Event of Default to have occurred;

(iii) On or after the entry of a judgment County has delivered to PVSC in accordance with Section 2.08 a written Notice of Intent To Terminate specifying County's intention to terminate the Agreement and the date on which such termination shall be deemed effective, which date shall not be less than forty-five (45) days after delivery of the Notice of Intent To Terminate; and

(iii) PVSC has failed to satisfy or cure the Event of Default at any time prior to the date by which the Event of Default shall be satisfied or cured pursuant to the Notice of Intent To Terminate.

(d) Effect of Termination. Upon termination of this Agreement all rights and privileges of PVSC and all duties and obligations of County hereunder shall terminate. Upon such termination and without further notice to any other party, but subject to the provisions of Section 1.14, County shall have the right to assert, perfect, establish and confirm all rights reverting to County by reason of such termination by any means permitted by law, subject to PVSC's rights to remove its property as provided herein, and to remove all persons using the same and to use all necessary lawful force therefor and in all respects to take the actual, full and exclusive possession of the Premises and every part thereof, thereby wholly terminating any right to use the Premises.

Notwithstanding the foregoing, County shall use commercially reasonable efforts to mitigate its damages.

(e) County Default. The occurrence of any of the following shall constitute an event of default on the part of County under this Agreement (a “**County Event of Default**”):

(i) Breach of Other Covenants. County being in breach of or failing to perform, comply with or observe any term, covenant, warranty, condition, agreement or undertaking of County contained in or arising under this Agreement and such failure continuing for a period of thirty (30) days after written Notice thereof is given by PVSC to County; provided, however, that if such breach or failure cannot reasonably be cured within such thirty (30) day period, such thirty (30) day period shall be extended until such cure is complete so long as County diligently and continuously prosecutes such cure.

(f) PVSC's Remedies. PVSC shall have all rights and remedies available at law or equity for any County Event of Default. Such rights and remedies shall include, without limitation, (i) equitable relief by temporary or permanent injunction or restraining order for the breach, (ii) the right to exercise self-help as set forth in Section 2.07(j) hereof, and (iii) in the case of any County Event of Default that may be cured by the payment of money, the right to set off the amount due against the Rent next accruing.

(g) Notice and Cure Periods. County and PVSC acknowledge and agree that no Event of Default or County Event of Default shall have occurred under this Agreement unless and until any and all applicable Notice shall have been given and cure or grace periods shall have expired.

(h) No Waivers. No failure by any party hereto to insist upon the strict performance of any provision of this Agreement or to exercise any right, power or remedy consequent to any breach thereof, and no waiver of any such breach, shall constitute a waiver of any such breach or of any such provision. No waiver of any breach shall affect or alter this Agreement, which shall continue in full force and effect, or the rights of any party hereto with respect to any other then existing or subsequent breach.

(i) *Intentionally Omitted.*

(j) Self-Help. In case of an Event of Default or a County Event of Default constituting a failure to pay any money or to do any act to satisfy any of the obligations or covenants which a party is required to pay, do, or satisfy under the provisions of this Agreement, the non-defaulting party may, at its option, after Notice to the defaulting party, pay any or all such sums, do any or all such acts or incur any expense whatsoever to remedy the failure to perform any one or more of the covenants herein contained. The defaulting party shall repay the same on demand, together with interest at the rate allowed by law calculated from the date payment is made by the non-defaulting party. If County shall fail to pay any such amounts due PVSC within

thirty (30) days after written demand therefor, PVSC shall have the right to offset such sums from Rent next accruing hereunder.

(k) No Personal Liability. No persons comprising County or PVSC (whether partners, members, shareholders, officers, directors, members, trustees, employees, beneficiaries or otherwise) shall ever be personally liable for any judgment obtained against the other for breach of any obligation hereunder.

Section 2.08 Notices

(a) **"Notice"** means any notice, demand, request or other communication or document to be provided under this Agreement to a Party to this Agreement.

(b) The Notice shall be in writing and shall be given to the Party at its physical address set forth below, or such other physical or email address the Party may later specify for that purpose by Notice to the other Party. Each Notice shall, for all purposes, be deemed given and received on the date actually personally delivered or if given by certified mail, return receipt requested, postage prepaid, two business days after it is posted with the United States Postal Service, at the address of the Party specified below:

If to County: County of Placer
Department of Facilities Management
Attention: Property Manager
11476 C Avenue
Auburn, CA 95603

With a copy to: County of Placer
County Executive Office
Attn: County Executive – Placer County Fairgrounds
175 Fulweiler Avenue
Auburn, CA 95603

With a copy to: County of Placer
Office of County Counsel 175 Fulweiler Avenue
Attn: Placer County Fairgrounds Counsel
Auburn, CA 95603

If to PVSC: Placer Valley Sports Complex, Inc.
Attention: CEO
451 Los Vegas Avenue
Roseville, CA 95678

With a copy to: South Placer County Tourism Corporation
Dba Placer Valley Tourism
Attention: CEO
2204 Plaza Drive, Suite 110
Rocklin, CA 95765

With a copy to: Robert F. Sinclair
Sinclair, Wilson, Baldo & Chamberlain
2390 Professional Drive
Roseville, CA 95661

(c) If Notice is tendered under the provisions of this Agreement and is refused by the intended recipient of the Notice, the Notice shall nonetheless be considered to have been given and shall be effective as of the date provided in this Agreement. The contrary notwithstanding, any Notice given to either Party in a manner other than that provided in this Agreement actually received by the noticed Party shall be effective with respect to such Party on receipt of the Notice.

Section 2.09 Conflict of Interest

No member, official or employee of PVSC shall make any decision relating to the Agreement which affects his or her personal interests or the interest of any corporation, company, partnership or association in which he or she is directly or indirectly interested.

Section 2.10 Non-Liability of Officials, Employees and Agents

The liability of PVSC for its obligations under this Agreement is limited solely to PVSC's interest in the Premises as the same may from time to time be encumbered. No member, official, employee or agent of the PVSC, shall be personally liable to the County, or any successor in interest, in the event of any default or breach by the PVSC or for any amount, which may become due to the County or successor or assign on any obligation under the terms of this Agreement.

Section 2.11 Successors Bound

This Agreement and each of its covenants and conditions shall be binding upon and shall inure to the benefit of both the County and PVSC and their respective heirs, successors and legal representatives and their respective assigns, subject to the provisions hereof. Whenever in this Agreement a reference is made to the County, such reference shall be deemed to refer to the person in whom the interest of the County shall be vested and the County shall have no obligation hereunder as to any claim arising after the transfer of its interest in the Premises. Any successor or assignee of PVSC who accepts an assignment or the benefit of this Agreement and

enters into management or other enjoyment hereunder shall thereby assume and agree to perform and be bound by the covenants and conditions hereof.

Section 2.12 Time

Time is of the essence of every provision of this Agreement.

Section 2.13 Severability

If any term, covenant, condition or provision of this Agreement, or the application thereof to any person or circumstance, shall to any extent be held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, covenants, conditions or provisions of this Agreement, or the application thereof to any person or circumstance, shall remain in full force and effect to the maximum extent possible and shall in no way be affected, impaired or invalidated.

Section 2.14 Applicable Law

This Agreement is subject to the laws and jurisdiction of the State of California. Venue shall be the Superior Court of the County of Placer, State of California. The Parties each waive any federal court removal and/or original jurisdiction rights that each may have.

Section 2.15 Hazardous Materials

(a) PVSC agrees that during the Term of this Agreement, PVSC shall not be in violation of any federal, state or local law, ordinance or regulation relating to industrial hygiene, soil, water, or environmental conditions on, under or about the Premises including, but not limited to, Hazardous Material Laws. PVSC further agrees that during the Term of this Agreement, there shall be no use, presence, disposal, storage, generation, release, or threatened release of Hazardous Materials on, from or under the Premises in violation of any Hazardous Material Laws.

(i) **"Hazardous Materials"** means:

- 1) any "hazardous substance" as defined in Section 101(14) of CERCLA (42 U.S.C. Section 9601(14)) or Sections 25281 (d) or 25316 of the California Health and Safety Code at such time;
- 2) any "hazardous waste", "infectious waste" or "hazardous material" as defined in Sections 25117, 25117.5 or 25501 U) of the California Health and Safety Code at such time;
- 3) any other waste, substance or material designated or regulated in any way as "toxic" or "hazardous" in the RCRA (42 U.S.C. Section 6901 et seq.), CERCLA, Federal Water Pollution Control Act (33 U.S.C. Section 1251 et seq.), Safe Drinking

Water Act (42 U.S.C. Section 300(f) et seq.), Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.), Clean Air Act (42 U.S.C. Section 7401 et seq.), California Health and Safety Code (Section 25100 et seq., Section 3900 et seq.), or California Water Code (Section 13000 et seq.) at such time; and

- 4) any additional wastes, substances or materials which at such time are classified, considered or regulated as hazardous or toxic under any other present or future environmental or other similar laws relating to the Premises.

(ii) The term "Hazardous Materials" shall not include the following, so long as such materials and substances are stored, used and disposed of in compliance with all applicable Hazardous Materials Laws: (i) construction materials, gardening materials, household products, office supply products or janitorial supply products customarily used in the construction, maintenance, rehabilitation, or management of commercial properties, buildings and grounds, or (ii) certain substances which may contain chemicals listed by the State of California pursuant to California Health and Safety Code Section 25249.8 et seq., which substances are commonly used by a significant portion of the population living within the region of the Premises, including, but not limited to, alcoholic beverages, aspirin, tobacco products, nutrasweet and saccharine.

(iii) "Hazardous Materials Laws" also means all federal, state, and local laws, ordinances, regulations, orders and directives pertaining to Hazardous Materials in, on or under the Premises or any portion thereof.

Section 2.16 Entry by County

As owner of the Premises and entitled to possession thereof subject to the rights of PVSC under this Agreement, County reserves and shall at any and all reasonable times, and upon reasonable notice, have the right to enter the Premises during normal business hours to: (a) inspect the same, (b) supply any service to be provided by County hereunder, and (c) post notices of non-responsibility. In the event of an emergency, County shall have the right for immediate entry onto the Premises.

Section 2.17 Entire Agreement

This Agreement sets forth all covenants, promises, agreements, conditions and understandings between the County and PVSC concerning the Premises and there are no covenants, promises, agreements, conditions or understandings, either oral or written, between County and PVSC other than as are herein set forth. Except as herein otherwise provided, no subsequent alteration, amendment, change or addition to this Agreement shall be binding upon the County or PVSC unless reduced to writing and signed by County and PVSC.

Section 2.18 Waiver

A Party's waiver of any term, covenant, condition shall not be deemed to be a waiver of such term, covenant or condition of any subsequent breach of the same or any other term, covenant or condition. The acceptance of fees or other payments by a Party shall not be deemed to be waiver of any prior breach by another Party of any term, covenant or condition of this Agreement. A Party's failure to exercise any right, option or privilege hereunder shall not be deemed a waiver of such right, option or privilege nor shall it relieve another Party from its obligation to perform each and every covenant and condition on the other Party's part to be performed nor from damages or other remedy for failure to perform the obligations of this Agreement.

Section 2.19 Broker Fee

No brokerage commissions shall be paid by the County in connection with execution of the Agreement.

Section 2.20 Force Majeure

PVSC shall not be deemed to be in default under this Agreement where PVSC acts or fails to act in a manner contrary to the terms of this Agreement, delays or except for the events described in this Section 2.20 would be in default of this Agreement as a result of war; acts of terrorism, insurrection; strikes; lock-outs; riots; floods; earthquakes; fires; a federal, state or local declared emergency, mandatory Guidance, federal, state or local Guidance, quarantine restrictions; freight embargoes; lack of transportation; or court order; or any other similar causes.

Section 2.21 Authority and Execution

Each person executing this Agreement on behalf of a Party represents and warrants that such person is duly and validly authorized to do so on behalf of the entity which it purports to bind and, if such Party is a partnership, corporation or trustee, that such partnership, corporation or trustee has full right and authority to enter into this Agreement and perform all of its obligations hereunder.

Section 2.22 Further Assurances

Each Party, whenever and as often as shall be requested by the other Party, shall perform or cause to be performed, all acts, and execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, all instruments and documents, as may be reasonably required to carry out the intent and purpose of this Agreement.

Section 2.23 Amendments

This Agreement shall not be modified by either Party by oral representations made before or after the execution of this Agreement; all amendments to this Agreement must be in writing and signed by PVSC and County.

Section 2.24 Binding Effect

This Agreement shall be binding upon and inure to the benefit of the respective assignees, heirs, successors and legal representatives of each Party.

Section 2.25 Not a Partnership

(a) The provisions of this Agreement are not intended to create nor shall they be in any way interpreted or construed to create a joint venture, partnership or any other similar relationship between the Parties. Each Party shall be considered a separate Party, and no Party shall have the right to act as an agent for the other.

(b) It is further mutually agreed and understood that personnel employed by the PVSC are solely employees of the PVSC, and are not employees of the County.

Section 2.26 Interpretation

Each Party and its counsel have reviewed this Agreement. Any rule of construction holding that ambiguities are to be resolved against the drafting Party shall not apply in the interpretation of this Agreement

Section 2.27 Management Beyond Term

(a) In no event shall this Agreement convey a leasehold interest, other estate or license in favor of PVSC in the Premises. At all times the relationship between County and PVSC shall be contractual in nature between owner and manager, with PVSC acting as agent for County to schedule, approve and coordinate the use of the Premises by the County and others for the Intended Uses.

(b) If PVSC remains in management of the Premises following the expiration or termination of this Agreement, or in the case of the Speedway Area at the end of the Speedway Term, this Agreement shall thereafter be terminable on thirty (30) days advance written notice given in accordance with Section 2.08 and until such termination PVSC shall perform all terms, promises, conditions and covenants required of it hereunder, and shall pay fees and other payments to County at the rate in effect immediately prior to expiration of this Agreement.

Section 2.28 Authority of the Director

The Director of Facilities Management (Director) or his designee, shall administer this Agreement on behalf of County. Unless otherwise provided herein or required by applicable law, the Director shall be vested with all rights, powers, and duties of County hereunder. With respect to matters hereunder subject to the approval, satisfaction, or discretion of County or the Director, the decision of the Director in such matters shall be final.

Section 2.29 Captions, Defined Terms

(a) The captions of the sections and paragraphs of this Agreement are for convenience only and shall not be deemed to be relevant in resolving any question of interpretation or construction of any section of this Agreement. All references to paragraph and section numbers refer to paragraphs and sections in this Agreement.

(b) The words County and PVSC used herein shall include the plural as well as the singular. Words used in neuter general include the masculine and feminine and words in the masculine or feminine gender include the neuter.

(c) The Parties agree that all provisions in this Agreement are to be construed as both covenants and conditions as though the words imparting such covenants and conditions were used in each separate Section or paragraph hereof.

Section 2.30 Reasonable Consent And Conduct

Except as expressly provided herein, wherever in this Agreement County or PVSC is required to give its consent or approval to any action on the part of the other, such consent or approval shall not be unreasonably withheld, conditioned or delayed. Whenever this Agreement grants County or PVSC the right to take action, exercise discretion, establish rules and regulations or make allocations or other determinations, County and PVSC shall act reasonably and in good faith and take no action which might result in the frustration of the reasonable expectations of a the Parties concerning the benefits to be enjoyed under this Agreement.

Section 2.31 Joint and Several Liability

All the terms, covenants and conditions contained in this Agreement to be performed by either Party, if such Party shall consist of more than one person or organization, shall be deemed to be joint and several.

Section 2.32 Calculation of Time Periods

If any date for performance under this Agreement falls on a Saturday, Sunday or bank holiday, then the date for performance shall be the next day which is not a Saturday, Sunday or bank holiday, and the next time period shall be calculated from and after the date of such actual performance. Unless specifically described herein as working days, all time periods shall be calculated as calendar days.

Section 2.33 Exhibits

The following exhibits are attached to and incorporated by reference in this Agreement:

- Exhibit A-1: Fairground Property
- Exhibit A-2: Premises

- Exhibit B: Placer County Fairgrounds Revitalization Committee Summary Report
Exhibit C: California Revenue and Taxation Code 107.6
Exhibit D: Insurance Requirements
Exhibit E: Repairs

Section 2.34 Application of Agreement to Event Center Addition and Culinary Building.

The terms and conditions of this Agreement shall apply to the Event Center Addition and Culinary Building if and when each is constructed, and regardless of whether the Event Center Addition and/or Culinary Building are located on a ground lease estate.

Section 2.35 Termination of AAO.

As of the Effective Date, the AAO between the County and PVT is hereby terminated and of no force or effect.

IN WITNESS WHEREOF, the Parties have duly executed this Management Agreement which will be in effect on the year and day last below written by County.

COUNTY:

County of Placer, a political subdivision of the State of California

By: _____
Name: _____
Title: Chair, Placer County Board of Supervisors

Date: _____

APPROVED AS TO FORM

County Counsel

Signatures Continue on Next Page

PVSC:

Placer Valley Sports Complex, Inc.,
a California non-profit public benefit corporation

By: _____
Name: _____
Title: Chairperson

Date: _____

By: _____
Name: David Attaway
Title: Chief Executive Officer

Date: _____

EXHIBIT A-1

COUNTY PROPERTY

The Fairground Property is comprised of the following Assessor's Parcel Numbers:

1. APN: 011-010-001
2. APN: 011-010-002
3. APN: 011-010-003
4. APN: 011-020-001
5. APN: 011-020-002
6. APN: 011-020-004
7. APN: 011-030-001
8. APN: 011-030-003
9. APN: 011-030-006
10. APN: 011-040-001
11. APN: 011-040-003
12. APN: 011-050-003
13. APN: 011-050-004

EXHIBIT A-2

PREMISES

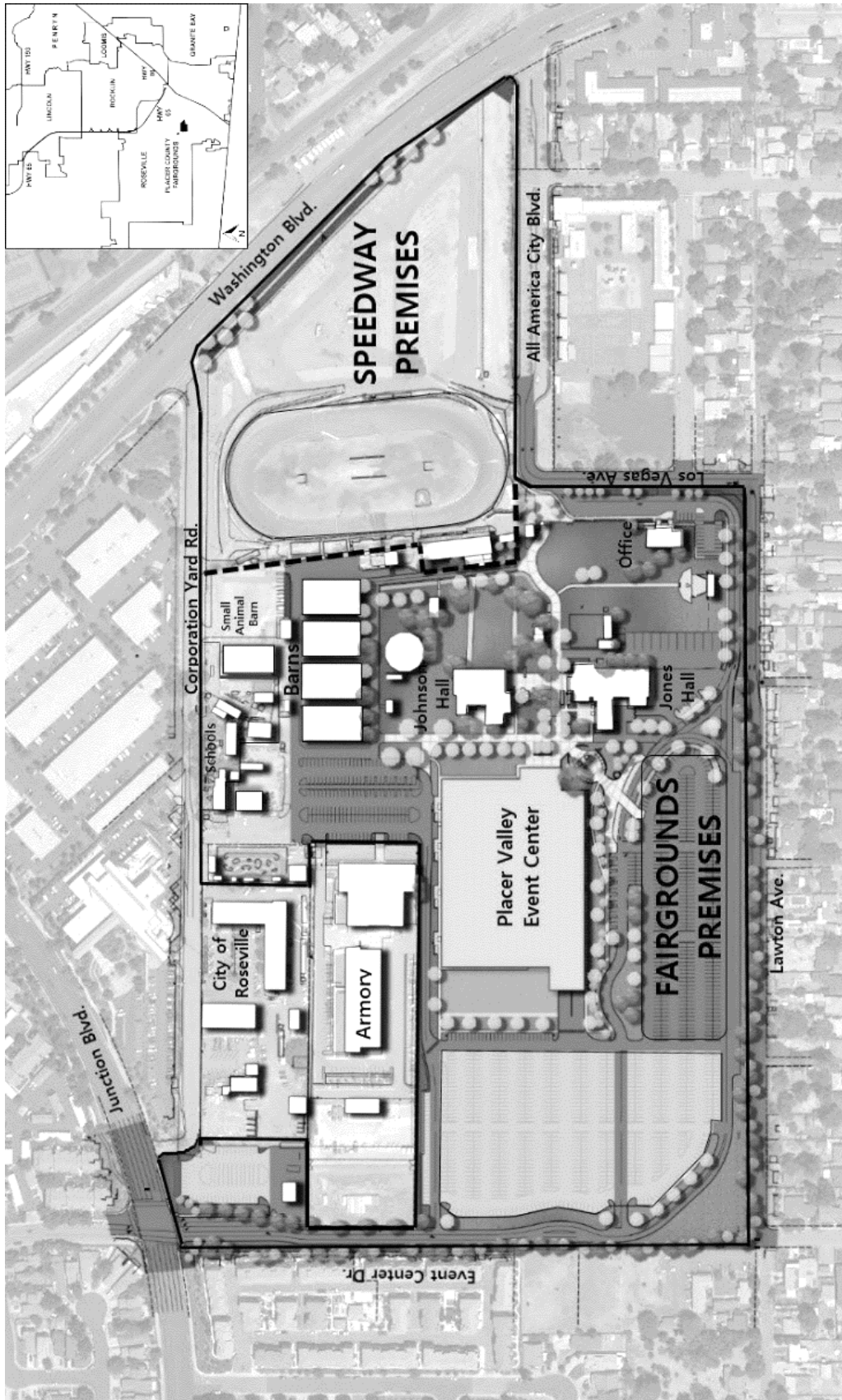


EXHIBIT B

Placer County Fairgrounds Revitalization Committee Summary of Recommendations Presented to Board of Supervisors October 11, 2016

Recommendations to Board of Supervisors

- Keep the Fair and Fairgrounds at the existing site.
- Continue discussions with Placer Valley Tourism to explore a partnership in connection with their proposal, with the understanding that Placer Valley Tourism would manage the Fairgrounds property as a multifaceted event center, potentially working with partners on various aspects including managing interim rentals, conducting the annual Placer County Fair, Speedway events, or other future operations.
- The Fairgrounds Revitalization Committee (FRC) concludes the Placer Valley Tourism proposal embodies the objectives set during the FRC Visioning Process as set forth below: Youth, Community, Health, Education, Authenticity, Identity, Tradition, and Quality.

Summary of FRC Evaluation

Vision – Elements

Purpose

YOUTH	Promote positive values, self-sufficiency & work ethic
COMMUNITY	Build connections, understanding & volunteerism
HEALTH	Provide for recreational activity & leisure
EDUCATION	Promote life-long learning

Values

IDENTITY	Recognizable, local, Placer products, our community
TRADITION	Events, parades, heritage, gold, agriculture, railroad
AUTHENTICITY	Unique, one-of-a-kind; a magnet
QUALITY	Facility, products attitudes

Vision – Fairgrounds Use

Existing – emphasize community

- | | |
|--------------------------|----------------------------------|
| • Family gatherings | • Scout meetings |
| • Non-profit meetings | • Emergency training |
| • Auto racing | • Animal evacuation |
| • Non-profit fundraisers | • Emergency Service Provider Use |
| • Weddings | |

Future – support vision

- | | |
|--------------------------------------|---------------------------|
| • Farm-to-fork dinners | • Outdoor themed weddings |
| • Neighborhood garden | • Company barbeques |
| • Ag-education Urban Farm | • Improve RV campground |
| • Culinary demonstration kitchen | • Farmers Market |
| • Gold Rush and Railroad themes | • Recreation |
| • Festivals highlighting local foods | |

EXHIBIT C

CALIFORNIA REVENUE AND TAXATION CODE SECTION 107.6

California Code, Revenue and Taxation Code - RTC § 107.6

Current as of January 1, 2020

(a) The state or any local public entity of government, when entering into a written contract with a private party whereby a possessory interest subject to property taxation may be created, shall include, or cause to be included, in that contract, a statement that the property interest may be subject to property taxation if created, and that the party in whom the possessory interest is vested may be subject to the payment of property taxes levied on the interest.

(b) Failure to comply with the requirements of this section shall not be construed to invalidate the contract. The private party may recover damages from the contracting state or local public entity, where the private party can show that without the notice, he or she had no actual knowledge of the existence of a possessory interest tax.

The private party is rebuttably presumed to have no actual knowledge of the existence of a possessory interest tax.

In order to show damages, the private party need not show that he or she would not have entered the contract but for the failure of notice.

(c) For purposes of this section:

(1) "Possessory interest" means any interest described in **Section 107**.

(2) "Local public entity" shall have the same meaning as that set forth in **Section 900.4 of the Government Code** and shall include school districts and community college districts.

(3) "State" means the state and any state agency as defined in **Section 11000 of the Government Code** and **Section 89000 of the Education Code** .

(4) "Damages" mean the amount of the possessory interest tax for the term of the contract.

EXHIBIT D

INSURANCE REQUIREMENTS

PVSC shall file with County concurrently herewith a Certificate of Insurance, in companies acceptable to County, with a Best's Rating of no less than A-: VII showing.

1. **WORKER'S COMPENSATION AND EMPLOYERS LIABILITY INSURANCE:**

Worker's Compensation Insurance shall be provided as required by any applicable law or regulation. Employer's liability insurance shall be provided in amounts not less than one million dollars (\$1,000,000) each accident for bodily injury by accident, one million dollars (\$1,000,000) policy limit for bodily injury by disease, and one million dollars (\$1,000,000) each employee for bodily injury by disease.

If there is an exposure of injury to PVSC'S employees under the U.S. Longshoremen's and Harbor Worker's Compensation Act, the Jones Act, or under laws, regulations, or statutes applicable to maritime employees, coverage shall be included for such injuries or claims.

Each Worker's Compensation policy shall be endorsed with the following specific language:

Cancellation Notice - 'This policy shall not be changed without first giving thirty (30) days prior written notice and ten (10) days prior written notice of cancellation for non-payment of premium to the County of Placer'.

Waiver of Subrogation - The workers' compensation policy shall be endorsed to state that the workers' compensation carrier waives its right of subrogation against the County, its officers, directors, officials, employees, agents or volunteers, which might arise by reason of payment under such policy in connection with performance under this agreement by the PVSC.

CONTRACTOR shall require all SUBCONTRACTORS to maintain adequate Workers' Compensation insurance. Certificates of Workers' Compensation shall be filed forthwith with the County upon demand.

2. **GENERAL LIABILITY INSURANCE:**

A. Comprehensive General Liability or Commercial General Liability insurance covering all operations by or on behalf of PVSC, providing insurance for bodily injury liability and property damage liability for the limits of liability indicated below and including coverage for:

(1) Contractual liability insuring the obligations assumed by PVSC in this Agreement.

B. One of the following forms is required:

- (1) Comprehensive General Liability;
- (2) Commercial General Liability (Occurrence); or
- (3) Commercial General Liability (Claims Made).

C. If PVSC carries a Comprehensive General Liability policy, the limits of liability shall not be less than a Combined Single Limit for bodily injury, property damage, and Personal Injury Liability of:

→Five million dollars (\$5,000,000) each occurrence

→Five million dollars (\$5,000,000) aggregate

D. If PVSC carries a Commercial General Liability (Occurrence) policy:

- (1) The limits of liability shall not be less than:

→Five million dollars (\$5,000,000) each occurrence (combined single limit for bodily injury and property damage)

→Five million dollars (\$5,000,000) for Products-Completed Operations Five million dollars (\$5,000,000) General Aggregate

(2) If the policy does not have an endorsement providing that the General Aggregate Limit applies separately, or if defense costs are included in the aggregate limits, then the required aggregate limits shall be Five million dollars (\$5,000,000).

E. Special Claims Made Policy Form Provisions:

PVSC shall not provide a Commercial General Liability (Claims Made) policy without the express prior written consent of County, which consent, if given, shall be subject to the following conditions:

- (1) The limits of liability shall not be less than:

→Five million dollars (\$5,000,000) each occurrence (combined single limit for bodily injury and property damage)

→Five million dollars (\$5,000,000) aggregate for Products Completed Operations

→Five million dollars (\$5,000,000) General Aggregate

(2) The insurance coverage provided by PVSC shall contain language providing coverage up to one (1) year following the completion of the contract in order to provide insurance coverage for the hold harmless provisions herein if the policy is a claims-made policy.

Conformity of Coverages - If more than one policy is used to meet the required coverages, such as a separate umbrella policy, such policies shall be consistent with all other applicable policies used to meet these minimum requirements. For example, all policies shall be Occurrence Liability policies or all shall be Claims Made Liability policies, if approved by the County as noted above. In no cases shall the types of policies be different.

4. ENDORSEMENTS:

Each Comprehensive or Commercial General Liability policy shall be endorsed with the following specific language:

A. "The County of Placer, its officers, agents, employees, and volunteers are to be covered as insured for all liability arising out of the operations by or on behalf of the named insured in the performance of this Agreement."

B. "The insurance provided by the PVSC, including any excess liability or umbrella form coverage, is primary coverage to the County of Placer with respect to any insurance or self-insurance programs maintained by the County of Placer and no insurance held or owned by the County of Placer shall be called upon to contribute to a loss."

C. "This policy shall not be changed without first giving thirty (30) days prior written notice and ten (10) days prior written notice of cancellation for non-payment of premium to the County of Placer"

5. AUTOMOBILE LIABILITY INSURANCE:

Automobile Liability insurance, including racing and competition exposure, covering bodily injury and property damage in an amount no less than five million dollars (\$5,000,000) combined single limit for each occurrence.

Covered vehicles shall include owned, non-owned, and hired automobiles/trucks.

6. POLLUTION LIABILITY:

Contractor shall purchase and thereafter maintain, so long as such insurance is available on a commercially reasonable basis, Pollution Liability insurance in the amount of one million dollars (\$1,000,000) covering liability arising from the sudden and accidental release of pollution on the Fairgrounds and/or Premises.

7. LIQUOR LIABILITY:

Liquor Liability Coverage shall be in an amount not less than one million dollars (\$1,000,000).

8. ADDITIONAL REQUIREMENTS:

Premium Payments - The insurance companies shall have no recourse against the County and funding agencies, its officers and employees or any of them for payment of any premiums or assessments under any policy issued by a mutual insurance company.

Policy Deductibles - The PVSC shall be responsible for all deductibles in all of the PVSC's insurance policies. The maximum amount of allowable deductible for insurance coverage required herein shall be \$25,000.

PVSC's Obligations - PVSC's indemnity and other obligations shall not be limited by the foregoing insurance requirements and shall survive the expiration of this agreement.

Verification of Coverage - PVSC shall furnish the County with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the County before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the PVSC's obligation to provide them. The County reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

Material Breach - Failure of the PVSC to maintain the insurance required by this agreement, or to comply with any of the requirements of this section, shall constitute a material breach of the entire agreement.

EXHIBIT E

Repairs

1. Chipseal Parking. At the overflow parking lots installed as part of the Event Center project, at its sole expense level and compact existing gravel as necessary to place double-chipseal surfacing. PVSC shall complete such work on or before October 31, 2021(**"Repairs Completion Date"**).
2. County Reimbursement For Repairs. Throughout the Term, the Parties anticipate that certain Repairs may be necessary to support the Intended Uses. In such event and upon approval of the Director, County agrees to contribute towards the actual cost of Repairs an amount not to exceed fifty thousand and no/100 dollars (\$50,000.00) (**"County Contribution"**). Upon COUNTY's final written acceptance of the completed Repairs, COUNTY shall pay PVSC the County Contribution in full in lawful money upon written PVSC demand. County shall pay the County Contribution within thirty (30) days of County's receipt of written demand from PVSC. Such demand from PVSC shall not be made later than eighteen (18) months after COUNTY's written approval and acceptance. Such amount expended by County shall be applied as a credit towards charges to County for its use of the Premises pursuant to Section 1.09(c).